

Message Text

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61

ACTION EB-11

INFO OCT-01 AF-10 ARA-11 EUR-25 EA-11 IO-12 ADP-00 OMB-01

TAR-02 AGR-20 AID-20 CIAE-00 COME-00 INR-10 LAB-06

NSAE-00 OIC-04 RSC-01 SIL-01 STR-08 TRSE-00 CIEP-02

CEA-02 NEA-10 L-03 RSR-01 (ADP) W

----- 106123

R 181451 Z MAY 73

FM USMISSION GENEVA

TO SECSTATE WASHDC 9406

INFO AMEMBASSY BANGKOK

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY CANBERRA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY OTTAWA

AMEMBASSY PORTLOUIS

AMEMBASSY PRETORIA

AMEMBASSY SANTODOMINGO

AMEMBASSY TOKYO

USMISSION OECD PARIS

USMISSION USEC BRUSSELS

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E. O. 11652: N/ A

TAGS: ETRD, UNCTAD

SUBJECT: SUGAR CONFERENCE: SECOND WEEK

REF: GENEVA 2217

SUMMARY. CONFERENCE CONTINUES MOVE SLOWLY. WORKING GROUPS
HAVE BEEN SET UP TO BEGIN TACKLING SIGNIFICANT ISSUES. IMPORTANT
DELS ARE SO FAR AVOIDING EXPORTER- IMPORTER CONFRONTATIONS. SINCE
STATCOM HAS ALMOST COMPLETED FIRST PHASE OF WORK, WORKING
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GROUPS WILL BE CENTER OF ACTION AS FIRST SESSION OF CONFERENCE
HEADS INTO HOME STRETCH. END SUMMARY.

1. MOST IMPORTANT ACTIVITY OF WEEK WAS SETTING UP FOUR
ECONCOM WORKING GROUPS TO TACKLE SOME MAJOR ISSUES.
THEY ARE WG I, SUPPLY COMMITMENT (ARTICLES 30 AND 53), WGII,
NON- MEMBER IMPORT PROVISIONS AND " PURCHASE COMMITMENT",
WG III PRICE PROVISIONS (ARTICLE 33) INCLUDING EXCHANGE RATE AND
" INDEXATION" PROBLEMS BUT NOT SPECIFIC TRIGGER PRICE FIGURES,
AND WG IV, QUOTA MECHANISM (ARTICLES 32, 45-49, AND 52).
SMALLEST OF GROUPS HAS 15 MEMBERS AND LARGEST 22, AND ARE LIKELY TO
BE UNWIELDY IN PRACTICE. USDEL IS MEMBER OF ALL BUT WG IV.
EXPORTERS HAVE NAMED SAUZIER (MAURITIUS) AS CHAIRMAN WG III AND
CAMPBELL (AUSTRALIA) CHAIRMAN WG IV. IMPORTERS ARE SUPPOSED TO
NAME CHAIRMEN FOR OTHER GROUPS, BUT AGAIN HAVE BEEN UNABLE FIND
SUITABLE CANDIDATES, AND ARE NOW LOOKING TO SECRETARIAT OR
EXPORTERS
TO PROVIDE THEM. WG IHAS BEGUN WORK UNDER PROVISIONAL CHAIRMANSHIP
OF POLITOFF, SECRETARY OF THE ISO.

2. CHAIRMANSHIPS ECONCOM, ADMINCOM AND IMPORTERS GROUP
HAVE BEEN WORKED OUT. LAJOUS (MEXICO) WAS ELECTED IN ECONCOM,
WITH POLITOFF AS ACTING CHAIRMAN FOR THIS SESSION. LARSON (SWEDEN)
WILL CHAIR ADMINCOM, WHICH STILL HAS NOT BEGUN WORK. CLARK
(CANADA) FINALLY ACCEPTED CHAIR OF IMPORTERS GROUP AND VICE-
CHAIRMANSHIP OF CONFERENCE.

3. STATCOM HAS GONE THROUGH EXERCISE OF ESTIMATING NET
IMPORT REQUIREMENTS FROM THE FREE MARKET THROUGH 1978. IN
TRANSPARENT ATTEMPT KEEP TOTAL PIE SMALL AND REDUCE QUOTA
DEMANDS OF EXPORTERS, CUBA AND SOME OTHER DELS HAVE
ARGUED FOR CONSERVATIVE ESTIMATES FOR ALMOST EVERY COUNTRY.
(ROUGH ESTIMATE OF USDEL IS THAT INITIAL QUOTA DEMANDS WILL
EXCEED 16 MILLION TONS AND MARKET IN NORMAL YEAR NOT MUCH
OVER 10 MILLION.) IMPORTERS AND SOME EXPORTERS WHO HAVE
EXPANDED PRODUCTION UNDER CURRENT AGREEMENT HAVE ARGUED FOR
MORE LIBERAL ESTIMATES. ALTHOUGH REPORT TO EXCOM NOT YET
PREPARED, IT WILL SHOW CONSERVATIVE TOTAL, AND NOTE STRONG
VIEW OF SOME THAT AN UPWARD ADJUSTMENT SHOULD BE MADE.
EASTERN EUROPEANS HAVE REFUSED BE LISTED AS IMPORTERS. USSR
SAID IT WOULD NOT BE IMPORTER FROM FREE MARKET AFTER 1973, BUT
WOULD CONTINUE TAKE CUBAN SUGAR AND REEXPORT SOME TO TRADITIONAL
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MARKETS.

5. UNLESS WG' S QUICKLY BEGIN TACKLE MAJOR ISSUESN IT BECOMING
CLEAR THIS SESSION WILL ACCOMPLISH LITTLE AND CRUNCH WILL COME IN
SEPTEMBER. SO FAR, NO SIGNIFICANT CARDS ARE ON THE TABLE.
BASSIN

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*** Current Classification *** LIMITED OFFICIAL USE

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US Department of State
EO Systematic Review
30 JUN 2005

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Status: <DBA CORRECTED> gwr 980220
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TAGS: ETRD, SZ, UNCTAD
To: BANGKOK
BOGOTA
BRASILIA
CANBERRA
EB
LONDON
MANILA

OTTAWA
SECSTATE WASHDC

Type: TE

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